



Department of Justice

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JUSTICE DEPARTMENT REACHES SETTLEMENT WITH WASTE INDUSTRIES USA INC.

Settlement Restores Competition for Waste Services in the Norfolk, Virginia Area

WASHINGTON, D.C. - The Department of Justice announced today that it has reached a settlement that requires Waste Industries USA Inc. to sell certain small container commercial waste hauling assets, to modify certain customer contracts, and to refrain from certain contracting practices in the Norfolk, Virginia area, in order to resolve the Department's antitrust concerns. The Department said that the acquisition by Waste Industries of waste-hauling assets from Allied Waste Industries Inc. lessened competition for small container commercial hauling services in the region.

The Department's Antitrust Division filed a civil lawsuit today in U.S. District Court in Norfolk, Virginia, seeking to require Waste Industries to divest certain commercial waste hauling assets and prevent Waste Industries from continuing certain anticompetitive contracting practices. At the same time, the Department filed a proposed settlement that, if approved by the court, would resolve the lawsuit and the Department's competitive concerns.

"This settlement ensures that the full benefits of competition - lower prices and better service - will be restored to commercial waste hauling customers in the Norfolk, Virginia area," said Thomas O. Barnett, Acting Assistant Attorney General in charge of the Department's Antitrust Division.

According to the complaint, in August 2003, Waste Industries and Allied were two of only a few providers of waste collection services in the cities of Norfolk; Chesapeake; Virginia Beach; Portsmouth; Suffolk; and Franklin, Virginia and in the county of

Southampton, Virginia. The complaint alleges that the August 1, 2003 transaction reduced from four to three the number of significant firms competing in the collection of small container commercial waste, giving Waste Industries control of about 43 percent of that market.

Small container commercial hauling involves the collection of waste from commercial establishments such as retail stores, offices, and restaurants, and the shipment of the collected waste to disposal sites.

Under the proposed settlement, Waste Industries must divest small container commercial hauling assets on certain routes in the Norfolk, Virginia area. Waste Industries has further agreed to alter its existing and future contracts for small container commercial waste-hauling services. The contract modifications will promote competition by making it easier for customers in this area to switch to other small container commercial waste haulers.

Waste Industries, based in Raleigh, North Carolina, provides waste collection and disposal services throughout the Southeastern United States. Waste Industries reported revenues of approximately \$291 million in 2004.

Allied Waste Industries, headquartered in Scottsdale, Arizona, is the second-largest waste hauling and disposal company in the United States. Allied reported sales of approximately \$5.4 billion in 2004.

As required by the Tunney Act, the proposed settlement will be published in *The Federal Register*, along with the Department's competitive impact statement. Any person may submit written comments concerning the settlement during a 60-day comment period to Maribeth Petrizzi, Chief, Litigation II Section, Antitrust Division, U.S. Department of Justice, 1401 H Street, NW, Suite 3000, Washington, D.C. 20530 (202-307-0924).

At the conclusion of the 60-day comment period, the U.S. District Court for the Eastern District of Virginia may enter the final judgment upon finding that it serves the public interest.

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